



ColumbiaManagementSM

Columbia Dividend Opportunity Fund

(LS): Hello, my name is Laton Spahr, one of the portfolio managers for the Columbia Dividend Opportunity Fund.

(PS): And I'm Paul Stocking, another manager for the fund. Steve Schroll, Laton Spahr and I make up the Columbia Management Contrarian Equity Team based in Minneapolis.

Why income-oriented equity investments?

(PS): In the current post-crisis, still uncertain economic environment, investors find the reassurance offered by income-generating investments extremely appealing. So, we've seen the global demand for income reach critical levels. With such high demand, it's not surprising that generating attractive levels of investment income has become increasingly difficult. The relatively low yields found outside of equities and the conservative, cash-hoarding position that many companies have taken are making income harder to find.

This is why investors are drawn to the Columbia Dividend Opportunity Fund and its objectives of high income, income growth, and market-beating total return. We believe that achieving these goals with passive alternatives would be challenging.

What is your process for managing the Columbia Dividend Opportunity Fund?

(PS): We pursue the first goal of high income by striving to consistently produce an annual dividend yield to shareholders that is at least 50% higher than the S&P 500 Index. Historically, this has kept the fund in the top 15%-20% of all equity income funds by yield.

We identify these high dividend opportunities by looking across the highest yielding portions of the global market and using a conservative cash flow and balance-sheet oriented process to select companies that can consistently distribute these high yields.

(LS): We define our second goal of income growth as dividends that are increasing at a faster rate than inflation. To align this with the fund's objective of high income, we look for dividend-paying stocks that simultaneously exceed the market yield and have a fundamental outlook that supports a forecast of dividend growth that is meaningfully higher than inflation. Typically, 50 to 70 percent of the fund's assets will be invested in these high-yield and high-dividend growth stocks.

(PS): The third goal is to outperform our benchmark, the Russell 1000 Value Index, over rolling three-year holding periods. We believe an active manager can execute high-dividend investing to generate higher total returns than comparable risk benchmarks.

How does your fund work to limit the tax impact for its investors?

(LS): The fund works with two levels of tax advantages. First, we expect that the bulk of the fund's investment returns will come in the form of qualifying dividend income, which is currently taxed at 15%.

(PS): Secondly, the fund's tax-loss carry-forwards have allowed us to shield all of the capital gains through 2010, and they will continue to provide tax benefits for future capital appreciation generated by the fund.

What distinguishes the Columbia Dividend Opportunity Fund from its peers?

(LS): The investment mandate of high income, income growth, and market-beating total return that we've already talked about is the core distinguishing factor of the fund. But we want to emphasize that supporting this mandate is the Columbia Contrarian Equity Team's process.

Our process leverages the combination of six dedicated research analysts who average 20 years of experience, a central research team of 29 professionals, and a collaborative culture that we cultivated to identify unique investment ideas before inflection points.

(PS): Thanks for joining us today.

(LS): For more information on our fund and additional market insight, be sure to visit our website, columbiamanagement.com.

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Investors should consider the investment objectives, risks, charges and expenses of a mutual fund carefully before investing. For a free prospectus, which contains this and other important information about the funds, visit columbiamanagement.com. The prospectus should be read carefully before investing.

Past performance does not guarantee future results.

Risks include stock market fluctuations due to business and economic developments. Value stocks may also be subject to specific business risks that have caused the stocks to be out of favor.

There is no guarantee that the investment objectives will be achieved or that return expectations will be met.

The Russell 1000 Index tracks the performance of 1,000 of the largest U.S. companies, based on market capitalization. It is unmanaged and unavailable for investment.

For more information about the fund, including current performance, visit the Products & Performance section of our website: <http://www.columbiamanagement.com/productsperformance/mutual-funds>

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